

SENATE BILL No. 372

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-8-17.5.

Synopsis: Health insurance preauthorization procedure. Requires the department of insurance to prescribe a standard preauthorization procedure that must be used by an insurer or a health maintenance organization concerning whether a proposed health care service that a provider proposes to provide to an insured or enrollee is covered.

Effective: July 1, 2007.

Simpson

January 11, 2007, read first time and referred to Committee on Health and Provider Services.

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First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

SENATE BILL No. 372

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 27-8-17.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2007]:

4 **Chapter 17.5. Preauthorization for Reimbursement**

5 **Sec. 1. The definitions in IC 27-13-1 apply throughout this**
6 **chapter.**

7 **Sec. 2. As used in this chapter, "insurer" means an insurer (as**
8 **defined in IC 27-1-2-3) that issues a policy of accident and sickness**
9 **insurance.**

10 **Sec. 3. As used in this chapter, "policy of accident and sickness**
11 **insurance" has the meaning set forth in IC 27-8-5-1.**

12 **Sec. 4. As used in this chapter, "preauthorization" means a**
13 **determination by:**

- 14 (1) an insurer concerning whether a proposed health care
15 service that a provider proposes to provide to an insured is
16 covered under the policy of accident and sickness insurance;
17 or



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1 (2) a health maintenance organization concerning whether a
2 proposed health care service that a provider proposes to
3 provide to an enrollee is covered under the individual contract
4 or the group contract;
5 before the health care service is provided.

6 Sec. 5. (a) The department shall prescribe a standard
7 preauthorization procedure that must be used by an insurer or a
8 health maintenance organization.

9 (b) The procedure prescribed under subsection (a) must be
10 automated to the extent possible.

11 Sec. 6. The department may adopt rules under IC 4-22-2
12 necessary to implement this chapter.

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